GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA

UNSTARRED QUESTION NO:1354
ANSWERED ON:22.08.2007
NCAER`S REPORT ON DEVOLUTION INDEX
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) whether the Government has any proposal to grant extra funds to the Panchayats which are delivering better services and showing more improvement;

(b) if so, the details thereof;

(c) whether the National Council of Applied Economic Research (NCAER) has submitted its interim report on devolution index;

(d) if so, the details thereof; and

(e) the time by when its final Report is likely to be submitted?

Answer

MINISTER OF STATE IN THE MINISTRY OF PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a)&(b): The Panchayat Empowerment and Accountability Incentive Scheme (PEAIS) was introduced and implemented by the Ministry of Panchayati Raj during the year 2005-06 with an allocation of Rs. 5 crores. This scheme aimed to provide incentives to the States to devolve powers upon Panchayats in accordance with the recommendations of the Seven Round Tables and for Panchayats empowered by such reforms to effectively assume the responsibilities devolved upon them. Release of funds under the Scheme were made in accordance with the progress achieved by States against milestones and bench marks in the reform aspects identified. During the year 2006-07, the Panchayat Empowerment and Accountability Incentive Scheme had an allocation of Rs. 10 crore. Based on the rankings of States/Union Territories in the Devolution Index prepared by NCAER, Rs. 8 crores were released to the first 10 States and Rs. 2 crores were released to the 6 UT's, in accordance with their rankings.

(c) & (d): Yes Sir. The NCAER presented an interim devolution index to the Ministry in August 2006. Thereafter, based on the data available with the Ministry of Panchayati Raj and as obtained from different States/ other Sources, NCAER measured the assessing environment for PRIs in different States and assigned scores and rankings to all the States and Union Territories. Panchayat Empowerment and Accountability Incentive Scheme was operationalized during 2006-07 on this basis.

(e): The Index prepared last year is now sought to be further refined and nuanced to measure the progress on Devolution over time. Towards this end, a concept paper has been prepared by NCAER giving details of the construction of the Devolution Index information or data needs and the application of the Index. This comprehensive index is proposed to be utilized for implementation of the Panchayat Empowerment and Accountability Incentive Scheme during the current year. This Comprehensive index is a substantial improvement on the Index formulated last year. The previous Index measured the States on three broad indicators viz. Devolution of funds, functions and functionaries. The present Index has included a distinct "Framework" sub Index which will take into account the mandatory provision of the Constitution containing Part IX. Continuing their work on refining and making more nuanced the Devolution Index with the view to undertaking in the miserable manner all indicators relating to the empowerment of PRIs. It is hoped to give the final shape to this Devolution Index during the course of the current financial year.